

EXHIBIT 2



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FBI Dispels Theory Of 2 Saudis Being Intelligence Agents

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WASHINGTON (AP)--Dispelling a theory raised by congressional investigators, the FBI has concluded that two Saudi men questioned about the Sept. 11 hijackers were not intelligence agents for their country or aiding the terrorist plot, officials said.

After conducting additional interviews and reviewing documents, FBI agents recently closed down their investigation into Omar al-Bayoumi and Osama Basnan, two friends who raised suspicions because one briefly lent money to two of the 19 hijackers while the other received money from the Saudi royal family.

The FBI concluded at most the two Saudi men occasionally provided information to their kingdom or helped Saudi visitors settle into the United States, but did so in compliance with Muslim custom of being kind to strangers rather than out of some relationship with Saudi intelligence, the officials said.

The officials said, however, that FBI and Saudi officials continue to jointly pursue information in the congressional report issued last summer about possible support of terrorism by Saudi-based businesses and charities.

Since creating a joint task force last year, the United States and Saudi Arabia have taken substantial action against several entities suspected of supporting terrorism. In January, the Saudis fired the chief of a Saudi charity that has been accused of terror links, and he remains under investigation, officials said.

And last month, that Saudi charity's branch in Oregon was raided by federal agents executing search warrants and its assets frozen by the government over allegations it tried to conceal payments to Muslim rebels in the Russian republic of Chechnya.

Saudi officials said they felt vindicated by the FBI's reinvestigation.

"We have consistently maintained that neither al-Bayoumi nor Basnan were agents of the Saudi government, and our investigation as well as those of the U.S. government and the British have found no involvement by them with Sept. 11," said Adel al-Jubeir, the foreign affairs adviser to Saudi Arabia's crown prince.

"As it turns out, this whole controversy was much ado about nothing. Another myth has been

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dispelled," he said.

The FBI agreed to reinvestigate al-Bayoumi and Basnan last year after Congress' investigation into Sept. 11 intelligence failures developed new information about the two men concerning financial transactions and their connections to hijackers Khalid al-Mihdhar and Nawaf al-Hazmi. Most of the 19 hijackers who killed more than 3,000 people when they crashed commercial airliners in New York City, Washington and Pennsylvania were Saudis.

Al-Bayoumi was interviewed by FBI agents for about seven hours over several days, the officials said.

"When we looked again, we found these men weren't intelligence agents but may have been helpful from time to time out of their Islamic beliefs," said one senior law enforcement official familiar with the investigation.

Officials would only discuss the investigation on condition of anonymity because of diplomatic sensitivities with Saudi Arabia.

Al-Bayoumi and Basnan immediately drew attention in the days after the suicide hijackings in September 2001.

Al-Bayoumi threw a welcoming party for eventual hijackers al-Mihdhar and al-Hazmi and briefly lent them money for their rent deposit and first month's rent. He also took a videotape of the hijackers' welcoming party.

FBI agents determined al-Bayoumi lent the hijackers rent money for less than an hour until they could get to the bank, the officials said.

Around the same time, Prince Bandar, the U.S. ambassador to the United States, and his wife, Princess Haifa al-Faisal, made out more than \$100,000 in checks to Basnan and his wife, who were associates of al-Bayoumi, Saudi officials said.

Saudi officials say the money was supposed to be charitable donations to Basnan to help cover his wife's medical bills starting in 1998.

In classified sections of their report released last summer, Sept. 11 congressional investigators said the sequence of events suggested Basnan and al-Bayoumi could be connected to Saudi intelligence.

The investigators also questioned whether the cash transactions -along with lax oversight of charities that aided al-Qaida -amounted to state sponsored terrorism.

The Saudis vehemently denied the accusation and demanded the 28-page classified section of the report be released. It never was.

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